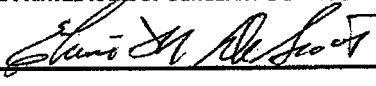

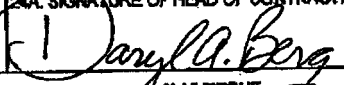


PROCUREMENT REQUEST REVIEW FOR THE SMALL BUSINESS PROGRAM AND CONTRACT

1. CONTRACTING ACTIVITY INFORMATION			2. DATE OF PURCHASE REQUEST		3. ESTIMATED CONTRACT VALUE	
A. NAME OF CONTRACTING ACTIVITY VA BLACK HILLS HEALTH CARE SYSTEM			08/31/2011		A. THIS F.Y. \$314,129.84 B. TOTAL CONTRACT VALUE 1,570,649.00	
B. STREET ADDRESS 500 NORTH 5TH STREET			4. PERIOD OF PERFORMANCE (Include all option years) October 1, 2011 through September 2016			
C. CITY HOT SPRINGS	D. STATE SD	E. ZIP CODE 57747	5. DESCRIPTION OF SUPPLIES OR SERVICES Contractor to provide bandwidth to 14 CBQC locations for the VA Black Hills Health Care System with facilities located in Hot Springs and Fort Meade, SD.			
F. TELEPHONE NUMBER 605-745-2070		G. FAX NUMBER 605-745-2831		6A. SIGNATURE AND PRINTED NAME OF CONCURRING SMALL BUSINESS OFFICE SPECIALIST FOR CONTRACTING ACTIVITY  9/8/2011		
CONTRACTING OFFICE						
7. SOLICITATION NUMBER VA-263-11-RP-0756		8. ANTICIPATED DATE OF RELEASE 09-15-2011		9. ANTICIPATED DATE OF RESPONSE/BID OPENING 9-26-2011		10. NAICS CODE AND SMALL BUSINESS SIZE STANDARDS 517110-1500 employees
11. PROPOSED METHOD OF PROCUREMENT						
<input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED BUSINESS SET-ASIDE <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED BUSINESS AS SOLE SOURCE <input type="checkbox"/> VETERAN OWNED SMALL BUSINESS SET-ASIDE <input type="checkbox"/> VETERAN OWNED SMALL BUSINESS SOLE SOURCE <input type="checkbox"/> 8(A) COMPETITION <input type="checkbox"/> 8(A) SOLE SOURCE <input type="checkbox"/> HUBZONE COMPETITION <input type="checkbox"/> HUBZONE SOLE SOURCE <input checked="" type="checkbox"/> 100% SMALL BUSINESS SET-ASIDE <input type="checkbox"/> PARTIAL SMALL BUSINESS SET-ASIDE: \$ <input type="checkbox"/> TASK/DELIVERY ORDER AGAINST EXISTING CONTRACT VALUE: \$ <input type="checkbox"/> UNRESTRICTED-INSUFFICIENT SMALL BUSINESS. (Attach justification, proposed subcontracting amounts and evaluation preference for SDVOSB and VOSB)						
12. FAR PART 5 - PUBLICIZING CONTRACT ACTIONS - HAS THIS REQUIREMENT BEEN ADVERTISED? <u>NO</u>						
<input type="checkbox"/> PRESOLICITATION NOTICE/PROCUREMENT <input type="checkbox"/> MODIFICATION OF PREVIOUSLY ANNOUNCED PROCUREMENT ACTION <input type="checkbox"/> SOURCES SOUGHT (Include A-7d Services Architect-Engineer contracts)						
13. PROPOSED ISSUING NUMBER OF SOLICITATIONS TO: (Provide actual number)						
_____ SERVICE DISABLED VETERAN-OWNED SMALL BUSINESS _____ 8(A) _____ WOMEN-OWNED SMALL BUSINESS _____ LARGE BUSINESS _____ VETERAN-OWNED SMALL BUSINESS _____ HUBZONE <u>1</u> SMALL BUSINESS						
14. IMPORTANT: Contract bundling checklist (VA Form 2268a) must be submitted with VA Form 2268 for all procurements in excess of \$1,000,000.						
PROCUREMENT HISTORY						
15. HAS ITEM/SERVICE BEEN PREVIOUSLY AWARDED? <input type="checkbox"/> YES (Complete Items 16 thru 18) <input checked="" type="checkbox"/> NO (Skip to Item 19)		16. PERIOD OF PERFORMANCE		17. CONTRACT NO.		18. NAICS CODE AND SMALL BUSINESS SIZE STANDARDS
19A. NAME AND ADDRESS OF CONTRACTOR(S)		19B. BUSINESS TYPE <input type="checkbox"/> SDVOSB <input type="checkbox"/> WOSB <input type="checkbox"/> VOSB <input type="checkbox"/> SB <input type="checkbox"/> 8(A) <input type="checkbox"/> LARGE <input type="checkbox"/> HUBZONE		20. TOTAL DOLLAR VALUE OF PAST PROCUREMENT \$		22. NUMBER OF RESPONSES FROM MOST RECENT PROCUREMENT 8(a) _____ WOMEN-OWNED HUBZONE _____ SMALL BUSINESS SDVOSB _____ VOSB _____ LARGE BUSINESS
23A. PRINT NAME AND SIGNATURE OF CONTRACTING OFFICER  JOANN WALKER		23B. DATE SIGNED 8-31-2011		24A. SIGNATURE OF HEAD OF CONTRACTING ACTIVITY 		24B. DATE SIGNED 9/8/11
25. INFORMATION SUBCONTRACTING GOALS						
_____ % SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS _____ % VETERAN-OWNED SMALL BUSINESS _____ % SMALL DISADVANTAGED BUSINESS _____ % HUBZONE SMALL BUSINESS _____ % WOMEN-OWNED SMALL BUSINESS						
26A. SIGNATURE OF VA OSD/BU REPRESENTATIVE				26B. DATE SIGNED		26C. EXPIRATION DATE OF VA FORM 2268

**JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION
DUE TO SOLE SOURCE REQUIREMENT**

1. REQUIRING ACTIVITY:

VA BHHCS Office of Information & Technology

2. CONTRACTING ACTIVITY:

VA Black Hills Medical Center Contracting

3. PROPOSED ACTION:

Establish a 1 year contract plus 4 option year renewals (for a total of 5 years) for Sole Source procurement of the Data circuits from the Fort Meade VAMC to the following outpatient clinics:

Pierre, Winner, Faith, Isabel McLaughlin, Rapid City Vet center, Pine Ridge, Rosebud, Mission, Gordon Ne. New Castle Wyo. Hot Springs State Vets Home, Scotts Bluff NE,

4. DESCRIPTION OF REQUIREMENT:

Provide saleable bandwidth from 3mb to 10mb or greater to provide for growing data/telecom services at sites in addition the solution needs to provide redundant paths back to Fort Meade VAMC to the above mentioned CBOC. The estimated yearly cost is \$310,000. The expanded bandwidth needs to be in place to support these CBOCs and the expanded telehealth initiatives. The CBOCs needs this in place ASAP and I would like to have this contract in place prior to October 1, 2011.

5. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION: FAR 13.106-1(B), Soliciting From a Single Source.

Only one responsible source and no other supplies or services will satisfy agency requirements. At this time, only SDN is able to provide the MPLS network to rural SD. The MPLS network allows for greater bandwidth at a cheaper cost. Other carriers can provide the same bandwidth but they do it bundling T1 lines and each T1 line is expensive ranging from about \$800-1200 each. By the time bundle several T1's together to get the needed bandwidth, we are looking at significant costs. The newer technology also allows us to quickly expand bandwidth to a particular CBOC by having the carrier adjust parameters on their side versus having to run additional cable if it is not available. With this contract we can respond quicker to increased needs at any one location.

SDN communications has a redundant data network across the state of South Dakota which allows for redundant communications circuit paths. The Sioux Falls HCS has utilized these services and have had great success. To this point, they have received the voice, video, and data communications required, excellent customer service, and have shown a cost savings of almost 50% over any other proposed solution. Due to the rural location of CBOCs in South Dakota, SDN Communications is the only communications provider that can meet the needs of the agency.

6. NATURE OF ACQUISITION TO MEET THE AUTHORITY CITED IN PARAGRAPH 5:

Due to South Dakotas remoteness no other vendors can be found to provide the level of bandwidth and service required and be cost effective. See attached spreadsheet with the cost breakdown between SDN and AT&T along with the bandwidth they will provide. We would like to have all the CBOCs on one bill to simplify the billing process and to make it easier to add additional bandwidth in the future if the need arises.

The solution provided by the existing data circuit carrier would require 3 or 4 additional circuits to accomplish what a single SDN Communications circuit would provide. Accordingly, the cost for these circuits would be much higher—an estimated 50-70% more.



BH CBOC BW
Quotes.xls

7. DESCRIBE THE ACTIONS TAKEN TO CONDUCT ANY MARKET RESEARCH TO LOCATE SOURCES:

We have requested quotes from other carriers (AT&T which subcontracts to Qwest in our location) none were found that could provide the service. The spreadsheet in #6 explains the bandwidth each of the carriers can provide and the associated costs. SDN is the only carrier that uses the latest technology (MPLS). The other carrier can also provide the additional bandwidth but this is only done by adding additional T1 lines which rises costs significantly as additional T1 lines are added.

What have you done to ensure this is the only source? We have inquired from the carriers how they will provide the needed bandwidth to support the data circuits.

8. CUSTOMER'S SUBMISSION OF PRICE ANALYSIS:

See the spreadsheet under #6

9. ANY ADDITIONAL INFORMATION FOR SUPPORT OF SUBMISSION:

There are a limited # of carriers in South Dakota due to the rural nature of the state.

10. LISTING OF ANY SOURCES (IF ANY) THAT HAVE EXPRESSED AN INTEREST IN THIS REQUIREMENT:

South Dakota, LLC (DBA) SDN Communications
AT&T
Qwest

11. FUTURE ACTIONS TO OVERCOME BARRIER TO FULL AND OPEN COMPETITION:

After this contract period has expired, the other carriers may have access to new technology in rural SD and they could provide better competitive pricing.

12. This justification is accurate and complete to the best of my belief and knowledge.

Submitted by:

Approved By:

X *John Reitenberger* 8/29/2011
John Reitenberger
FCIO Black Hills HCS

August 4, 201
Date

Contracting Officer

Joann Walker
Date 8-31-11

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Submitted by:

Approved By:

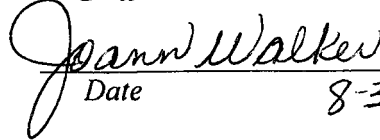
X


John Reiffenberger
FCIO Black Hills HCS

8/29/2011

August 4, 201
Date

Contracting Officer


Date

8-31-11

